

BOIES, SCHILLER & FLEXNER LLP

150 JOHN F. KENNEDY PARKWAY • 4TH FLOOR • SHORT HILLS, NJ 07078 • PH. 973.218.1111 • FAX 973.218.1106

Via Electronic Filing

September 8, 2008

Honorable Dickinson R. Debevoise, U.S.D.J.
M.L. King, Jr. Federal Building & Courthouse
50 Walnut Street
Newark, New Jersey 07101

Re: Walsh Securities, Inc. v. Cristo Property Management, Ltd., et al.
Civil Action No.: 97-3496 (DRD/MAS)

Dear Judge Debevoise:

This firm represents plaintiff Walsh Securities, Inc. ("Walsh Securities") in the above-referenced matter. Please accept this letter in further support of Walsh Securities' request, pursuant to Fed. R. Civ. P. 55(b), for entry of default against Anthony D'Apolito, William Kane, Gary Grieser, Thomas Brodo, Lawrence Cuzzi, James Brown, and Stanley Yacker (collectively, the "Defaulting Defendants").¹

Walsh Securities, a mortgage broker, filed the instant litigation on July 17, 1997 to recover damages arising from a residential real estate flipping scheme involving, among others, the Defaulting Defendants. This scheme defrauded Walsh Securities of approximately \$24 million in principal, over \$45 million in accrued interest on the loans, over \$5.5 million in attorneys' fees and costs, and the loss of a sale of the company for over \$420 million and interest. At the time this action was commenced, many of the defendants (including a number of the Defaulting Defendants) were facing criminal investigations and/or prosecutions by the United States Attorney's Office. Concerned with their ability to defend themselves in the instant litigation while simultaneously facing investigations and/or prosecutions by the United States Attorney's Office, a number of the defendants moved that this action be stayed pending completion of the criminal prosecutions. That motion was granted; the case was first stayed on April 28, 1998 and then administratively terminated from May 26, 2000 until September 30, 2004. As a result, many of the defendants pled guilty to criminal charges, were jailed, and had judgments entered against them.

¹ Walsh Securities initially moved for entry of default against Vecchio Realty d/b/a Murphy Realty Better Homes and Gardens. By letter dated July 8, 2008, Walsh Securities withdrew its motion as to that defendant. For the Court's convenience, Walsh Securities submits herewith a new proposed Order for Default Judgment which does not include Vecchio Realty d/b/a Murphy Realty Better Homes and Gardens.

BOIES, SCHILLER & FLEXNER LLP

Honorable Dickinson R. Debevoise, U.S.D.J.

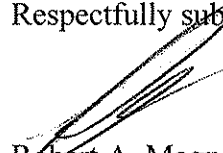
September 8, 2008

Page 2 of 2

Shortly after this civil matter was reinstated, Walsh Securities filed a Third Amended Complaint, which was served upon the Defaulting Defendants via electronic filing and/or regular mail. Despite the fact that all of the Defaulting Defendants had filed responsive pleadings to Walsh Securities' initial Complaint and participated (to varying degrees) in the civil litigation prior to its stay and administrative dismissal, none of the Defaulting Defendants have filed a responsive pleading to the Third Amended Complaint or even requested an extension of time to answer.²

Walsh Securities respectfully requests that this Court grants its application for default against the Defaulting Defendants. None of the Defaulting Defendants have filed a response to the Third Amended Complaint. Indeed, a number of the Defaulting Defendants have advised counsel for Walsh Securities that they do not intend to file a response to the Third Amended Complaint. Moreover, none of the Defaulting Defendants have filed any opposition to the instant motion, even though it has been adjourned. For the forgoing reasons, Walsh Securities' application should be granted.

Respectfully submitted,



Robert A. Magnanini

Enclosure

cc: All Counsel of Record (*via ECF*)

Pro Se Defendants on attached Service List (*via regular mail*)

² While many of the Defaulting Defendants had been represented by counsel prior to the stay and administrative dismissal of this action, those attorneys have since filed motions to withdraw as counsel. It appears that all of the Defaulting Defendants are now *pro se* in this matter.

PRO SE DEFENDANTS – SERVICE LIST

Anthony D'Apolito 3930 Belmar Boulevard Wall Township, NJ 07753	Anthony Cicalese, Esq. 467 Long Hill Drive Short Hills, NJ 07078
William Kane 6119 Kipps Colony Drive West Gulfport, FL 33707-3969	Gary Grieser 330 Shore Drive Highlands, NJ 07732
Richard Calanni One Old Farm Road Tinton Falls, NJ 07724	Richard DiBenedetto 3 Loller Drive Martinsville, NJ 08836
James Brown 700 Route 18 North East Brunswick, NJ 08816	Thomas Brodo 139B Fort Lee Road Teaneck, NJ 07666
Stanley Yacker, Esq. c/o Monmouth Title Agency 188 East Bergen Place Red Bank, NJ 07701	Lawrence Cuzzi 38 Clive Hill Road Edison, NJ 08820
James R. Brown 700 Route 18 North East Brunswick, NJ 08816	